

AMENDED IN ASSEMBLY MAY 1, 2013

AMENDED IN ASSEMBLY APRIL 16, 2013

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

**ASSEMBLY BILL**

**No. 1199**

---

---

**Introduced by Assembly Member Fong**

February 22, 2013

---

---

An act to add Section 84750.9 to the Education Code, relating to community colleges, *and declaring the urgency thereof, to take effect immediately.*

LEGISLATIVE COUNSEL'S DIGEST

AB 1199, as amended, Fong. Community colleges: funding.

Existing law establishes the California Community Colleges under the administration of the Board of Governors of the California Community Colleges. Existing law authorizes the establishment of community college districts under the administration of community college governing boards, and authorizes these districts to provide instruction at community college campuses throughout the state.

Existing law requires the board of governors to develop criteria and standards, in accordance with specified statewide minimum requirements, for the purposes of making the annual budget request for the California Community Colleges to the Governor and the Legislature and allocating state general apportionment revenues. Those statewide minimum requirements include, among other things, a requirement that the calculations of each community college district's revenue level for each fiscal year be based on specified criteria, with revenue adjustments being made for increases or decreases in full-time equivalent students (FTES) for specified purposes.

This bill would require the board of governors to adopt a stabilization formula for calculating a community college district’s revenue level for each fiscal year, which would provide for revenue adjustments if certain conditions are met, including that the community college district or a campus of the district is subject to a probation or a “show cause” accreditation sanction, the district has identified a new funding source sufficient for the specified payment of any fund liability, and the district develops an improvement plan certified by the Chancellor of the California Community Colleges.

Under existing law, for credit and noncredit instruction, decreases in FTES are required to result in revenue reductions beginning in the year following the initial year of decrease in FTES, and at the district’s marginal funding per FTES.

This bill would require the adopted stabilization formula to provide that, for a qualifying community college district, decreases in FTES are required to result in prescribed adjustments in district revenues beginning in the year following the initial year in which the district qualifies for stabilization funding.

*This bill would declare that it is to take effect immediately as an urgency statute.*

Vote: ~~majority~~<sup>2/3</sup>. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. Section 84750.9 is added to the Education Code,
- 2 to read:
- 3 84750.9. (a) The board of governors shall adopt a stabilization
- 4 formula for calculating a qualifying community college district’s
- 5 revenue level for a qualifying fiscal year. This formula shall
- 6 provide for revenue adjustments if all of the following conditions
- 7 are met:
- 8 (1) The community college district or a campus of the district
- 9 is subject to a probation or a “show cause” accreditation sanction.
- 10 (2) The community college district has identified a new funding
- 11 source sufficient for the full payment of any fund liability in equal
- 12 installments over the next two years.
- 13 (3) The community college district develops an improvement
- 14 plan certified by the Chancellor of the California Community
- 15 Colleges that complies with all of the following:

1 (A) The plan requires a six-month accreditation compliance  
2 report from the board of trustees of the community college district.

3 (B) The accreditation compliance report is signed by the  
4 chancellor of the community college district and passed by the  
5 board of trustees of the community college district.

6 (C) The accreditation compliance report details the progress the  
7 community college district has made ~~prior to~~ *before* the date of  
8 the report and includes a timetable for the completion of a full and  
9 satisfactory accreditation response.

10 (b) The stabilization formula adopted pursuant to subdivision  
11 (a) shall provide that, for a qualifying community college district,  
12 decreases in full-time equivalent students shall result in adjustments  
13 in district revenues as follows:

14 (1) Decreases in full-time equivalent students shall result in  
15 revenue reductions beginning in the year following the initial year  
16 in which the district qualifies for stabilization funding pursuant to  
17 subdivision (a) at the district's marginal funding per full-time  
18 equivalent student.

19 (2) Revenue reductions in the second and third year after the  
20 district qualifies for stabilization funding pursuant to subdivision  
21 (a) shall include payments by the district of equal installments in  
22 each of these years to cover the difference between the revenue  
23 the district would have received pursuant to subparagraph (B) of  
24 paragraph (6) of subdivision (d) of Section 84750.5 and what the  
25 district did receive pursuant to paragraph (1).

26 *SEC. 2. This act is an urgency statute necessary for the*  
27 *immediate preservation of the public peace, health, or safety within*  
28 *the meaning of Article IV of the Constitution and shall go into*  
29 *immediate effect. The facts constituting the necessity are:*

30 *Accreditation problems facing community colleges threaten*  
31 *basic services and require immediate response.*